



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

August 22, 2008

Ms. Vicki Murray, President
Samax Precision, Inc.
926 W. Evelyn Avenue
Sunnyvale, CA 94086
Vicki@samaxinc.com

TRANSMITTED VIA EMAIL

Dear Ms. Murray:

RE: FINAL MONITORING REVIEW REPORT for SAMAX PRECISION, INC. – ET07-0116

This Final Report is untimely because it took longer than expected for the Contractor to submit the Final Invoices.

Date of this Monitoring Review :	6/25/2008 (via phone conference)
Date of Last In-Person Visit:	3/18/2008
Visit Location:	Via phone conference
Persons in attendance:	You, Ms. Vicki Murray, President, Samax, and Ms. Anna Nastari, Analyst, ETP
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	7/5/2006 – 4/4/2008	Agreement Amount:	\$23,800
Training Start Date:	11/6/2006	No. to Retain:	35
Date Training must be Completed:	1/4/2008	Range of Hours:	8 - 60
Type of Trainee:	Retrainees	Weighted Ave. Hours:	34

FINAL REPORT SUMMARY:

• HISTORY OF AGREEMENT CHANGES

The Agreement was executed on July 5, 2006; however, training didn't begin until November 6, 2006, due to unexpected delays by your training vendor.

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SACRAMENTO, CA 95814
(916) 327-5640

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4640 Lankershim Blvd., Suite 311
NORTH HOLLYWOOD, CA 91602
(818) 755-1313

S.F. BAY AREA REGIONAL OFFICE
1065 East Hillsdale Blvd, Suite 415
FOSTER CITY, CA 94404
(650) 655-6930

SAN DIEGO REGIONAL OFFICE
5353 Mission Center Road, Suite 110
SAN DIEGO, CA 92108
(619) 686-1920

www.etp.ca.gov
ETP (04/15/05)

Your staff reported that all training was completed on December 26, 2007, which allowed for the 90-day retention period to be completed within the term ending date of the Agreement – April 4, 2008.

ETP approved one Agreement Amendment on May 30, 2007, which changed the ending term date of your Agreement from July 4, 2007, to April 4, 2008. The request to extend the term by 9 months was necessary to allow you additional time to provide training due to the unexpected delay in rolling out your training plan.

- ***INTERVIEW WITH YOU, MS. MURRAY, PRESIDENT AND THE SIGNATORY TO THE ETP AGREEMENT:***

- What barriers, if any, did your company experience in implementing your ETP project?

Samax faced unexpected delays in rolling out its training plan because the vendor had to reschedule the training start date. Unfortunately, this caused a seven month delay before the company was able to deliver its first round of training, which subsequently interfered with production schedules.

You attribute the low performance of your ETP Agreement to the unfortunate delay in rolling out your training plan. Even with the extension of the Agreement term date, it did not allow sufficient time to make up for the lost training time since production demands had to be met.

- What problems, if any, did your company experience with ETP record keeping?

You reported that you found the documentation and administrative processes a bit daunting, but felt more comfortable once you became familiar with the ETP On-Line systems and requirements.

- What assistance could ETP have provided that would improve the process for future Contractors?

You informed the analyst that assistance provided by the analyst was helpful.

- How did your company benefit from the ETP training?

You felt that you wouldn't have been able to provide as much company-wide training without the ETP funds. It has benefitted the workers in providing the skills necessary to meet production requirements.

Breakdown and discussion of expected earnings:

Samax's records show that 27 trainees completed the training and the 90 day retention period (77% of planned retentions). You projected earnings to be \$8,521 (35.8% of the encumbered total \$23,800). Current records show that Samax received \$8,521 in progress payments which has been approved as earned. All closeout invoices have been submitted.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:	42	Completed Training:	27
Dropped Following Enrollment:	15	Completed Retention:	27
Completed Minimum Hours for reimbursement:	27	In Retention Period:	0

(Please refer to comments above addressing the cause for the low performance.)

ATTENDANCE ROSTERS:

Ms. Nastari reviewed original training rosters at her last in person visit on March 18, 2008. The rosters contained the necessary information as required by the Panel. It is your responsibility to ensure that all training records are in compliance with Panel requirements for auditing purposes.

SUBAGREEMENTS:

Ms. Nastari reviewed one subagreement for CMM Systems, Inc. which she approved. Please retain a copy of the subagreement with your ETP files.

INVOICES:

At the monitoring visit of March 18, 2008, Ms. Nastari reviewed with you the invoicing processes necessary to close out your Agreement. She informed you that the process should have been completed by no later than May 4, 2008, 30 days after the term date of your Agreement. However, due to pressing business demands you were not able to meet the deadline and requested an extension.

Ms. Nastari continued to provide you technical assistance during the Final Invoicing processes which you completed on July 1, 2008.

AUDIT:

Samax Precision, Inc. will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Anna Nastari at (650) 655-6941 or at anastari@etp.ca.gov within ten (10) working days from receipt of this report.

Sincerely,



Creighton Chan, Manager
San Francisco Bay Area Regional Office



Anna Nastari, Contract Analyst
San Francisco Bay Area Regional Office

cc: Amber Luiz, Assistant Director, ETP, aluiz@etp.ca.gov
Kulbir Mayall, Fiscal Manager, ETP, kmayall@etp.ca.gov
Master File
Project File

Date report mailed to Contractor August 25, 2008